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SIPDIS

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DEPARTMENT PASS TO USTR FOR CHRIS WILSON AND MARK MOWREY

E.O. 12958: DECL: 12/21/2019

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SUBJECT: TURKEY: AMBASSADOR JEFFREY DISCUSSES FSECC WITH
FOREIGN TRADE MINISTER CAGLAYAN

Classified By: charge d'affaires Doug Silliman for reasons 1.4 b,d

11. (C) Ambassador Jeffrey met with State Minister for Foreign Trade Zafer Caglayan on December 18 to discuss the new Framework for Strategic Economic and Commercial Cooperation (FSECC). The Ambassador congratulated Caglayan on being named as the GOT's FSECC co-chair, along with Deputy Prime Minister Babacan. There are a few important first steps, including the establishment of the FSECC Business Council. The Ambassador noted that this will be complicated on the USG side, due to US legal requirements, and it will take a few months to complete. It will be up to the GOT to decide how it selects the Turkish participants. The Ambassador passed the Department of Commerce's Concept Paper on the FSECC Business Council and a list of potential FSECC deliverables to Caglayan. He noted that the key first step is reaching agreement with the GOT on the Terms of Reference for the Business Council. The USG is preparing a draft, which we hope to present before the end of the year.

12. (C) Caglayan said the Prime Minister asked him and Babacan to start working on the FSECC right away. He and Babacan already agreed to meet during the first week of January to set a calendar for the FSECC. FTU is preparing an FSECC roadmap for this meeting. Several groups, including the Turkish Union of Chambers of Commerce and Commodity Exchanges (TOBB), the Turkish American Business Council (TAIK), the Foreign Economic Relations Board (DEIK), the Turkish-American Business Association (TABA) and the Turkish Manufacturers Association (TIM) will be cooperating with the GOT on this important initiative. We need to expand our economic cooperation, particularly in energy, transport and defense industries, Caglayan said, and the FSECC also should consider meeting more often during the year. In the meantime, sectoral sub-committees could be established and continue to meet. Also, the two governments should consult during the selection of companies for the Business Council.

13. (C) The Ambassador emphasized that the private sector is best suited to identify commercial opportunities and barriers. He noted a press report on Boeing sourcing a significant amount of aircraft parts for its 787 planes in Turkey. He said that this was the result not of government action, but a business decision by Boeing due to the advantages it saw in buying from Turkey. We hope the FSECC and the Business Council will produce more such successes.

14. (C) Caglayan said our relations could expand to include cooperation exports to third countries. The GOT already has started a study on the US market and Caglayan plans to visit a number of U.S. states in 2010 with a group of Turkish businessmen. He said he would appreciate the Ambassador's recommendations on which states to visit. This will be separate from the FSECC. The Ambassador suggested Caglayan

visit Miami, the gateway for South American exports to the United States and, in particular, look at the Brazilian export center there that facilitates trade.

SILLIMAN

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